GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2005
ANSWERED ON:14.03.2017
Production and Sales of Auto Sector
Jena Shri Rabindra Kumar

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the growth rate of production and sales of the auto sector have increased during the last three years in the country;
(b) if so, the details thereof;
(c) the growth rate of exports and imports of the auto and auto components sector during the said period;
(d) whether demonetization has impacted the production and sale of auto sector;
(e) if so, the remedial steps proposed to be taken by the Government in this regard; and
(f) the various initiatives being taken by the Government to boost this sector?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI BABUL SUPRIYO)

(a) & (b): Society of Indian Automobile Association (SIAM) has informed that the production and sales have grown in most of the vehicle segments in the last few years. The detail growth in production and sales in the last three years and the current year is as under:

Financial Year Growth Rate
Production Sales
2013-14 4.13% 3.54%
2014-15 8.64% 7.06%
2015-16 2.58% 3.78%
2016-17 (April,16 −Jan,17) 6.05% 8.00%

(c): The growth rate of export & imports of the auto & auto components are the following:

Auto Sector:
Financial Year Export Import
2013-14 8.1% -51.7%
2014-15 11.5% 1.6%
2015-16 -0.5% 0.9%
(Sources: SIAM)

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Auto Components Sector:
Financial Year Export Import
2013-14 16.7% 3.6%
2014-15 11.4% 7.5%
2015-16 3.5% 9.3%
(Sources: ACMA)

(d) & (e): Department of Heavy Industry has not undertaken any study on the impact of demonetization on Auto Sector.

(f): Government of India is working with the auto industry on many initiatives to give boost to the automotive industry. Some of the initiatives are listed below:-

(i) Automotive Industry is considered a sunrise sector of the economy and the Government's policy towards the industry has been to provide market access to all players globally, through investment route than the trade route.
(ii) Government has supported Industry through dedicated policy for the industry by launching Auto Policy 2002, Automotive Mission Plan 2006-16, Automotive Mission Plan 2016-26.
(iii) A new scheme Faster Adaption & Manufacturing of (Hybrid &) Electric Vehicles (FAME India) has been launched. This scheme provides benefit to electric & hybrid manufacturers to help increase penetration of environment friendly products in the country.
(iv) Automotive Industry has been identified as one of the champion sectors and the Government is working on interventions in specific areas such as incentive, access to credit, low cost power, infrastructure, R&D, technology linkages and care during trade negotiations for development of the Industry.
(v) Automotive Industry has identified 20 tariff headings as sensitive items for the industry which have been maintained in the negative list of India in most of the trade agreements.
(vi) Automobile manufacturers get benefit of 2% Mechanise Export Incentive Scheme (MEIS) on vehicle exports.

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